

Message Text

UNCLASSIFIED

PAGE 01 STATE 011925
ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-07 COME-00 /024 R

DRAFTED BY:XMB:K.P. O'BRIEN:RH
APPROVED BY:EB/IFD/ODF R..D. RAUZLARICH
XMB:ARTHUR PILZER
EUR/WE E.J. BEIGEL(INFO)
-----190617Z 086488 /22

R 182234Z JAN 77
FM SECSTATE WASHDC
TO AMEMBASSY LISBON

UNCLAS STATE 011925

E.O. 11652: N/A

TAGS: BPRO

SUBJ: FINANCING FOR U.S. WELDING MACHINERY

YOUR CABLE 0195, 1-07-77

ATTN: COMMERCIAL ATTACHE

PLEASE NOTE CURRENT CFF DOLLAR GUIDELINES - \$500,000 MAXIMUM
CONTRACT PRICE PER TRANSACTION AND \$1 MILLION MAXIMUM AGGREGATE CON-
TRACT USE PER BUYER. CERTAIN FACTORS MAY ALLOW FOR CASE BY CASE
EXECPTION TO THESE GUIDELINES LIKE THE INABILITY TO OBTAIN FINANCING
FOR A BUYER THROUGH THE PRIVATE SECTOR OR THROUGH EBI'S SUPPLIER
CREDIT PROGRAMS, FCIA INSURANCE PROGRAMS AND COMMERCIAL BANK GUARANTEE

PROGRAM. IN THIS CASE, THE INEXPERIENCE OR MARGINAL CREDIT ASPECT
OF BUYER MAY BE OVERCOME THROUGH A CFF TRANSACTION EVEN THOUGH THE
TRANSACTION VIOLATES CFF DOLLAR GUIDELINES. THE ANSWERS TO SPECIFIC
QUESTIONS ARE:

A) REPAYMENT TERMS IN EXCESS OF FIVE YEAR ARE RARE UNDER CCF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 011925

PROGRAM BUT PERMITTED WITH CAPITAL EQUIPMENT TRANSACTIONS SUCH AS
AIRCRAFT AND LOCOMOTIVES WHICH NORMALLY CALL FOR CREDIT TERMS BEYOND
FIVE YEAR RANGE IN THE OPEN MARKET. TYPICALLY, THE TRANSACTION CALLS
FOR CONTRACT PRICE IN EXCESS OF \$200,000. WELDING EQUIPMENT NOT CON-
SIDERED IN THIS CATEGORY.

B) EIB DOES NOT ALLOW THE USE OF EXIMBANK'S COMMERCIAL BANK

GUARANTEE PROGRAM TO FINANCE ANY PORTION OF A CONTRACT PRICE UNDER A CFF TRANSACTION.

THE THREE CI BANKS CURRENTLY OPERATING IN PORTUGAL POSSESS CFF CREDIT LINES AND A CFF FINANCIAL GUARANTEE. ASSUMING A HYPOTHETICAL CONTRACT PRICE OF \$200,000, THE CI BANK IN PORTUGAL COULD FINANCE 42.5 PERCENT WITH CFF CREDIT LINE (\$85 THOUSAND) 42.5 PERCENT WITH CFF FINANCIAL GUARANTEE (\$85 THOUSAND) AND 15 PERCENT WITH PORTUGUESE BUYER'S DOWN PAYMENT (\$30 THOUSAND). THE CFF FINANCIAL GUARANTEE PROVISION IS PART OF THE CFF FINANCING AND IT IS NOT TO BE CONFUSED WITH THE COMMERCIAL BANK GUARANTEE PROGRAM MENTIONED IN (B).
KISSINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE011925
Document Source: CORE
Document Unique ID: 00
Drafter: XMB:K.P. O'BRIEN:RH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770019-0548
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770140/aaaabirt.tel
Line Count: 74
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: fd6547d5-c288-dd11-92da-001cc4696bcc
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3568141
Secure: OPEN
Status: NATIVE
Subject: FINANCING FOR U.S. WELDING MACHINERY YOUR CABLE 0195, 1-07-77 ATTN: COMMERCIAL ATTACHE
TAGS: BPRO
To: LISBON
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/fd6547d5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009